

EXHIBIT B

Agreement #QW03-02390.

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made and entered into as of the 1st day of April, 2004 or a mutually agreed upon earlier staggered start day to be coordinated with the current vendor (the "Effective Date") by and between Qwest Business Resources, Inc. ("Qwest BRI"), as agent for Qwest Communications International Inc., and Reed Group, Ltd. ("Administrator").

1. Scope:

Administrator will provide the services (including but not limited to plan administration, claims determination and recordkeeping, preparation of reports, documentation and government filings) necessary and appropriate to administer the Qwest Disability Plan (the "Plan") and to oversee, make eligibility determinations, administer and coordinate employees' leaves of absences under the Family And Medical Leave Act of 1993, and the regulations thereunder, and the state law equivalents (collectively, the federal and state laws are referred to herein as "FMLA"), in accordance with the Plan and FMLA policies which are attached to and made a part of this Agreement (such duties referred to collectively herein as the "Services"). Administrator will provide all Services in accordance with the applicable requirements of the Plan, the policies and in compliance with applicable law, including but not limited to the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder ("ERISA") and to the extent not preempted, state law, and the FMLA. This Agreement establishes the standard terms and conditions that apply to Services performed by Administrator under the Plan and the FMLA.

2. Affiliates:

- 2.1 "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with, a party. "Control" means: (a) for corporate entities, direct or indirect ownership of 20% or more of the stock or shares entitled to vote for the election of the board of directors or other governing body of the entity; and (b) for non-corporate entities, direct or indirect ownership of 20% or greater of the equity interest.
- 2.2 Qwest BRI has entered into this Agreement as the procurement organization for its Affiliates, including but not limited to the Affiliates identified on Exhibit A hereto ("Qwest Affiliates"). All references in this Agreement to a participant or employee of "Qwest" will mean a participant or employee of a Qwest Affiliate that participates in the Plan. All references in this Agreement to Qwest in connection with notices to, information to be exchanged with, instructions from Qwest and the like shall mean Qwest BRI or its delegate.

3. Term:

This Agreement will commence as of the Effective Date and will continue through March 31, 2009.

4. Invoices and Payments:

- 4.1 For Services performed, Administrator will charge the rates set forth in Exhibit B hereto, and will invoice Qwest Disability and Workplace Interventions on a monthly basis.
- 4.2 For Services performed at a fixed price, Administrator will invoice Qwest Disability and Workplace Interventions upon completion and acceptance of Performance Guarantees, as set forth in Exhibit C, in accordance with the payment schedule as set forth in Exhibit B.
- 4.3 Each invoice will contain an itemized description of the Services and all applicable charges.
- 4.4 Qwest will pay in U.S. dollars the amounts set forth in any undisputed invoice within forty-five (45) days following receipt of such invoice. Payment by Qwest will not constitute acceptance of the applicable Services.
- 4.5 Qwest will notify Administrator of any dispute with respect to an invoice in writing. Each party will use its respective best efforts to resolve any dispute with respect to an invoice within one hundred eighty (180) days.

Confidential

Disclose and distribute only to those with a need to know.

- 4.6 All claims for money due or to become due to Administrator will be subject to deduction or setoff by Qwest by reason of any claim Qwest has against Administrator, regardless of whether such claim relates to this Agreement.
- 4.7 Should Qwest overpay an invoice, Administrator will return the overpayment to Qwest within fifteen (15) days after receipt thereof.

5. Administrator Personnel:

Administrator will be solely responsible for securing suitably trained and experienced personnel to perform Services hereunder. Qwest may request that Administrator provide the names of the Administrator personnel who are to perform Services hereunder, as well as their respective resumes, for Qwest's review. In the event that Qwest should determine that the provision of Services under this Agreement by any personnel of Administrator may be detrimental to the Administrator's ability to perform Services under this Agreement, then Qwest shall communicate its concerns to the Administrator's immediate supervisor or manager of the personnel who is the subject of the complaint. The respective supervisors at Qwest and Administrator shall seek to resolve the situation including, but not limited to, agreeing upon the propriety of discussing the applicable issues directly with the personnel, further training for such personnel, replacement of such personnel within a reasonable period of time (taking into account all necessary training and transition required for the orderly replacement of such personnel). If the respective supervisors cannot resolve the situation, then the situation shall be resolved under the procedures set forth in Section 19.1.

6. Reports:

Administrator will submit reports containing such information as may be reasonably requested by Qwest, including but not limited to, the status of claims on a periodic basis and as outlined in Exhibit C.

- 6.1 **Claims Activity Reports.** On a periodic basis, Administrator will furnish claims activity reports in a mutually acceptable data processing medium and format, and such other reports as mutually agreed to by Qwest and Administrator to monitor the activities undertaken by Administrator under this Agreement.
- 6.2 **Other Information.** Administrator shall provide information requested by Qwest with respect to the services under this Agreement and the Plan required for filings by Qwest with appropriate governmental agencies. Administrator shall provide such other data and information as the parties may agree.

7. Representations and Warranties:

Administrator represents and warrants that in addition to all other obligations contained herein, Administrator agrees as follows:

- a. Administrator shall cooperate and be bound by all the rules and regulations of the Plan and FMLA policies of which Administrator is provided the Plan document and the most recent summary plan description and FMLA policies.
- b. Administrator shall transfer data and information, and otherwise interface with other administrators of other related Qwest employee benefit programs, such as, but not limited to, the Qwest Health Care Plan and workers compensation programs, in accordance with the procedures set forth in Exhibit C, which is incorporated herein by reference.
- c. Administrator shall maintain customer service performance at a level no less than the standards specified in Exhibit C referred herein as Performance Guarantees. Administrator agrees to furnish Qwest summary data from Administrator's internal management reports demonstrating Administrator's degree of compliance with these standards. This data shall be furnished to Qwest periodically (not more than quarterly)

at Qwest's request and during any on-site audit conducted at Qwest's request.

- d. In addition to any other reporting requirements in this Agreement, Administrator agrees to provide such other reports as are listed in Exhibit C which is incorporated herein by reference, with the frequency and in the formats so indicated.
- e. Administrator shall inform Qwest at least ninety (90) days in advance (or as soon as possible in the event Administrator is unable to provide ninety (90) day advance notice due to circumstances not reasonably within Administrator's control) of any change in services or operations that could materially affect Services to Participants so that effective Participant communications can be developed. Further, Administrator shall inform Qwest sixty (60) days in advance (or as soon as possible in the event Administrator is unable to provide sixty (60) day advance notice due to circumstances not reasonably within Administrator's control) of any other changes in service or operation that may materially affect Administrator's Services under this Agreement. Administrator acknowledges and agrees that this provision is not intended to allow Administrator unilaterally to amend or modify the terms of this Agreement or its obligations hereunder. The Agreement can be amended or modified only with the prior written consent of Qwest, as required in section 27.
- f. Administrator shall furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services.
- g. Administrator agrees to be designated and to accept responsibility as a fiduciary under ERISA of the Qwest Disability Plan with respect to all fiduciary duties to be performed as part of the Services provided for herein. These fiduciary duties shall include, but not be limited to, establishing and implementing a procedure to receive and timely make final determinations on all claims and appeals as required by ERISA and in accordance with the claims regulation by the U.S. Department of Labor at 29 CFR § 2560.503-1. In determining claims and appeals, Administrator shall have the exclusive right to exercise discretionary authority to determine all matters of fact or interpretation relating to the administration of the Plan, including questions of eligibility, interpretation of Plan provisions, and any other matters involving the terms of the Plan. Such determinations shall be conclusive and binding on all persons, subject only to the right to appeal under the terms of the Plan. By delivery of written notice to Administrator, the Plan Administrator shall have the right to relieve Administrator from its fiduciary status at any time with respect to any or all fiduciary functions without terminating this Agreement and shall advise Administrator of the person who shall assume such status with respect to any of such functions.
- h. During the term of this Agreement, upon request from Qwest, Administrator shall promptly assist Plan Administrator by its review of the drafts of any Plan amendments, modifications and revisions, as well as any associated administrative forms and manuals, and summary plan descriptions as may be reasonably requested by the Plan Administrator to maintain compliance with ERISA or other applicable laws. Review of such documents shall be completed within reasonable timelines established by the Plan Administrator for meeting any filing or notification requirements or for distribution of open enrollment materials. Qwest shall develop and distribute the summary plan description and any other documents describing the Plan in consultation with Administrator and, within Qwest's discretion, using material reviewed by Administrator for these purposes. Qwest shall be solely responsible for the accuracy and content of all such documentation, except that Administrator shall be responsible for the accuracy and content of such changes that it has recommended to Qwest and that, based upon such recommendation, Qwest has incorporated into such documentation.

- i. Administrator agrees to be designated and to accept responsibility as the FMLA Administrator under Qwest's FMLA policies with respect to all duties to be performed as part of the Services provided for herein
- j. Administrator will reconcile its eligibility data with eligibility data transferred by Qwest and report all discrepancies within 30 days of receipt of Qwest data.
- k. Administrator shall perform claims adjudication for the provision of the disability benefit coverage described in Exhibit D of this Agreement consistent with the terms of this Agreement and the Qwest Disability Plan document. In the event of any conflict between the terms of such document and the terms of this Agreement, the terms of the plan documents shall control. To the extent such claims adjudication is contested in litigation by a participant or beneficiary, Qwest is to be generally in charge of all phases of such litigation including choice of counsel. The parties are to be jointly represented except in the event there is a conflict of interest in such representation. See Exhibit E, template for draft joint defense agreement. In the event of a conflict of interest, the appointed counsel shall continue to represent Qwest and the Plan, and shall terminate representation of the Administrator.
- l. Administrator hereby warrants that (i) all Services shall be performed in accordance with the highest professional and service standards in the industry; (ii) the Services shall be performed by highly qualified, competent medical and other personnel who will utilize established medical, or other applicable, criteria in providing such Services; (iii) all such medical personnel required to be credentialed to satisfy, and shall continue to satisfy, the credentialing requirements set forth in Exhibit C, and (iv) it has established quality assurance procedures for monitoring and auditing the quality of Services and the degree to which such Services comply with the above-referenced established medical criteria and the terms of the Plan. Qwest or its representatives shall have the right to periodically audit Administrator's compliance with these procedures. Administrator agrees to notify Qwest in writing of any material modification to such procedures prior to the effective date of the modification and to provide Qwest with copies of the procedures as modified. No such modification shall adversely impact the quality of Plan administration, quality of Administrator's performance, or Qwest's ability to monitor the foregoing matters.
- m. Administrator warrants that it is and will remain, throughout the period in which this Agreement is effective, in compliance with all local, state, and federal laws, rules, regulations, ordinances, and codes that are now or hereafter promulgated by any governmental authority or agency that govern or apply to the operation and/or use of the Services described herein or that otherwise govern or apply to Administrator as a provider of Services or as an employer.
- n. Administrator represents and warrants there are no pending or threatened lawsuits, claims, disputes or actions: (i) alleging that any Services it has provided violate any third party rights; or (ii) adversely affect any Services or Administrator's ability to perform its obligations hereunder; Administrator will disclose to Qwest on an ongoing and timely basis any and all pending or threatened lawsuits, claims, disputes or actions that are within the scope of the preceding sentence.

8. Confidential Information:

- 8.1 "Confidential Information" means any and all information (including but not limited to, participants' personal health and financial information) provided, disclosed or made accessible by one party (the "Disclosing Party") to the other (the "Receiving Party") under this Agreement that is either identified as

or would be reasonably understood to be confidential. Confidential Information also includes the terms and conditions of this Agreement. Confidential Information does not include information that the Receiving Party can clearly establish by written evidence: (a) is or becomes known to the Receiving Party from a third party without an obligation to maintain its confidentiality; (b) is or becomes generally known to the public through no act or omission of the Receiving Party; or (c) is independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party.

8.2 Except as expressly provided herein, the Receiving Party will: (a) not use Confidential Information of the Disclosing Party for any purpose other than the fulfillment of its obligations under this Agreement; (b) not disclose Confidential Information of the Disclosing Party to any third party (including any Affiliate of itself or of the Disclosing Party) without the prior written consent of the Disclosing Party; (c) not make any copies of Confidential Information of the Disclosing Party without the Disclosing Party's prior consent; and (d) protect and treat all Confidential Information of the Disclosing Party with the same degree of care as it uses to protect its own Confidential Information of like importance, but in no event with less than reasonable care. The Receiving Party will only disclose Confidential Information of the Disclosing Party to its employees and/or agents who have a "need to know" for purposes of this Agreement. The Receiving Party will notify and inform such employees and/or agents of the Receiving Party's obligations under this Agreement, and the Receiving Party will be responsible for any breach of this Agreement by its employees and/or agents. In the event that the Receiving Party is required to disclose Confidential Information of the Disclosing Party pursuant to law, the Receiving Party will notify the Disclosing Party of the required disclosure with sufficient time for the Disclosing Party to seek relief, will cooperate with the Disclosing Party in taking appropriate protective measures, and will make such disclosure in a fashion that maximizes protection of the Confidential Information from further disclosure.

8.3 Upon expiration or termination of this Agreement, the Receiving Party will promptly turn over to the Disclosing Party, or at the Disclosing Party's direction destroy, all Confidential Information of the Disclosing Party, in whole or in part, in whatever format, including any copies.

9. Qwest Property:

Any items furnished by Qwest to Administrator hereunder are and will remain the property of Qwest. The term "items" includes but is not limited to intellectual property, forms, programs and policies. Administrator will not use any such item for any purpose other than the performance of Services hereunder. While in Administrator's possession, Administrator will maintain such property in good condition and will bear the risk of loss.

10. Independent Contractors:

10.1 Administrator certifies that it is engaged in an independent business and will perform its obligations pursuant to this Agreement as an independent contractor and not as the agent or employee of Qwest. This Agreement does not create a partnership, joint venture or similar relationship between the parties, and neither party will have the power to obligate the other in any manner whatsoever.

10.2 Any persons who perform Services for Qwest hereunder will be solely the employees or agents of Administrator under its sole and exclusive direction and control. Administrator is solely responsible for: (a) the hours of work, methods of performance and compensation of its employees and agents; (b) compliance with all federal, state and local rules and regulations including but not limited to those governing worker's compensation, unemployment, disability insurance and social security withholding for its employees and agents; and (c) all federal and state income taxes with respect to its income under this Agreement.

10A. **Overpayment of Plan Benefits.** All participants in the Qwest Disability Plan must enter into a withholding/repayment agreement as a condition of receipt of any benefits under the Plan. Qwest, and not the Administrator, shall have the sole authority to approve waiver of a participant's repayment obligation, if any. The parties will cooperate fully and make every reasonable effort under the circumstances, considering the chances of successful recovery and the costs thereof, to recover any payment made to a participant or health care provider which is in excess of the amount to which the person was entitled to receive under the Plan ("Overpayments"). Qwest assigns to Administrator the

authority to pursue recovery of Overpayments and Administrator will pursue all reasonable means of recovery of Overpayments under the circumstances but will not be obligated to commence litigation, unless otherwise specifically agreed to by the parties. Administrator will assume liability up to the amount of an unrecovered Overpayment only if and at such time as it is determined that: (A) the Overpayment was fraudulent or criminal, or (B) the Overpayment was caused by Administrator's act or omission which was grossly negligent or an intentional disregard of Administrator's obligations under this Agreement; or (C) Qwest has not waived repayment and all reasonable means of recovery under the circumstances have been exhausted; or (D) Administrator's acts or omissions were not undertaken at the express direction of Qwest.

10A.1 Internal Review. Administrator shall periodically perform the appropriate and necessary internal review of its administrative and operational capabilities to ensure conformance of Services with the provisions of the Agreement and the Plan.

10A.2 Non-Discrimination. The parties agree not to differentiate or discriminate in the provision of disability benefits to participants because of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, handicap or disability. Administrator shall require its health care providers to render medical services to participants in a manner consistent with existing medical, ethical and legal requirements for providing continuity of care to any patient, and without regard to their status as participants.

11. Indemnification:

11.1 Administrator will, at Administrator's expense, indemnify, defend and hold harmless Qwest and its Affiliates (including their officers, directors, employees and agents) against any loss, cost, expense or liability (including but not limited to reasonable attorneys' fees and awarded damages) arising out of a claim (1) that Administrator has committed an omission, violation, or breach of the Plan documents or policies thereunder (to the extent that such documents and policies are consistent with this Agreement) or of those duties arising under ERISA, FMLA, or other applicable law that this Agreement imposes on Administrator and (2) that such omission, violation, or breach has violated the rights of any participant or employee, provided that Administrator shall have no liability under this Section for the actual amount of any benefits to which such participant or employee would have been entitled under the Plan or Qwest's FMLA policies had such omission, violation, or breach not occurred.

11.2 Each party (for purposes of this Indemnification Section, the "Indemnifying Party") will indemnify, defend and hold harmless the other (including its officers, directors, employees and agents), its Affiliates and customers, against any loss, cost, expense or liability (including reasonable attorneys' fees and costs) arising from the negligence or willful misconduct of the Indemnifying Party (including its Affiliates, agents, employees and others under its direction or control).

11.3 The party to be indemnified pursuant to this Section will notify the indemnifying party within a reasonable time after receiving notice of a claim. Provided that the indemnifying party promptly and reasonably investigates and defends any such claim, the indemnifying party will have control over the defense and settlement thereof. The party to be indemnified will furnish, at the indemnifying party's reasonable request and expense, information and assistance necessary for such defense.

12. Limitation of Liability:

Except for each party's indemnification obligations under the Section herein entitled "Indemnification" and each party's breach of the Section herein entitled "Confidential Information", neither party is liable to the other for consequential, incidental, indirect, punitive or special damages, including commercial loss and lost profits, however caused and regardless of legal theory or foreseeability, directly or indirectly arising under this Agreement, even if such party has been apprised of the possibility of such damages.

13. Insurance:

Administrator shall at all times during the term of this Agreement, at its own cost and expense, carry and maintain the insurance coverage listed below with insurers having a "Best's" rating of A VII

13.1 The insurance limits required herein may be obtained through any combination of primary and excess or umbrella liability insurance. Administrator shall forward to Qwest certificate(s) of such insurance upon execution of this Agreement and upon any renewal of such insurance during the term of this Agreement. The certificate(s) shall provide that (1) Qwest (and its participating affiliates) be named as an additional insured(s) as their interest may appear with respects this Agreement; (2) thirty (30) days prior written notice of cancellation, material change or exclusions to the policy shall be given to Qwest; (3) coverage is primary and not excess of, or contributory with, any other valid and collectible insurance purchased or maintained by Qwest.

13.2 Errors & Omissions liability insurance covering errors and omissions of the Administrator with limits of not less than \$1,000,000 per occurrence and endorsed to provide coverage for contractual liability with respect to liability assumed by Administrator hereunder. Such insurance shall provide a retroactive date prior to the date of this Agreement and an extended claims reporting period of not less than 3 years after the termination of this Agreement. Administrator must maintain a fiduciary liability bond in amounts and scope appropriate to comply with the requirements of ERISA with respect to the Qwest Disability Plan.

13.3 Any additional or different insurance requirements shall be specified in Module(s), Schedule(s) or Attachment(s) to this Agreement.

14. Safety, Health and Accident Reports:

The safety and health of Administrator's employees and agents while on Qwest's premises will be the sole responsibility of Administrator. While on Qwest's premises, Administrator and its employees and agents will comply with Qwest's rules and regulations, as well as all local, state and federal environmental, health and safety requirements, including those relating to the use and handling of hazardous materials. Administrator will immediately report to Qwest any accidents, injuries or property damage arising from the performance of this Agreement. Administrator will provide Qwest with copies of any safety, health or accident reports that Administrator files with any third party with respect to Administrator's performance of this Agreement.

15. Compliance With Laws:

Administrator will, at its expense, obtain all permits and licenses, pay all fees, and comply with all federal, state and local laws, ordinances, rules, regulations and orders applicable to Administrator's performance of Services under this Agreement.

Regulatory Authority. Subject to state and federal confidentiality laws, Qwest and Administrator agree to allow appropriate regulatory authority access to all information related to the Services provided under this Agreement.

16. Third Party Authorizations

Administrator is solely responsible for securing any and all authorizations, consents, approvals and licenses from third parties that are necessary for performance of the Services.

17. Termination for Convenience; Cancellation:

4 mo - 17.1 Qwest may terminate this Agreement, in whole or in part, for its convenience with one hundred and twenty (120) days prior written notice. Administrator will be entitled to payment for Services accepted and received by Qwest through the date of termination, as well as for a percentage (equal to 36 minus the number of full months that have elapsed between April 1, 2004 and the date of termination, divided by 36) of Administrator's Implementation Costs and Take Over Fees, as defined in Exhibit B. Qwest will have no other liability arising out of termination of this Agreement.

17.2 This Agreement shall terminate, without notice, (i) upon the institution by or against either party of insolvency, receivership or bankruptcy proceedings, (ii) upon either party's making an assignment for the benefit of creditors, or (iii) upon either party's dissolution or ceasing to do business.

- 17.3 Either party may terminate this Agreement by written notice to the other in the event that the other party breaches this Agreement and fails to cure such breach to the non-breaching party's satisfaction within thirty (30) days of written notice specifying the breach.
- 17.4 In the event that all or any part of this Agreement is terminated for any reason, Administrator will immediately document in detail the status of any Services in progress and will, at Qwest's option, either deliver to Qwest or, upon written authorization from Qwest, destroy all such documents and status reports with respect to such Services. Administrator will provide all assistance reasonably requested by Qwest in connection with the transition of performance of the Services by Administrator to the performance of the Services by Qwest and/or its agents.
- 17.5 The Sections entitled Representations and Warranties, Confidential Information, Indemnification, Work Product, Limitation of Liability, Compliance with Laws and Dispute Resolution will survive the expiration or termination of this Agreement or any Order. Expiration or termination of this Agreement will not relieve either party from its obligations arising hereunder prior to such expiration or termination.

17.6 Obligations After Termination

(a) In the event of the termination of this Agreement, Administrator shall complete the processing of all requests for benefits incurred during the term of this Agreement, which are filed with Administrator within three (3) months following such termination, provided that Qwest continues to reimburse for the cost of claims and applicable administrative fees as set forth in Exhibit B of the Agreement.

* (b) Qwest may request in writing that Administrator send to Qwest any existing Plan claim files that Administrator holds in hard copy form or stores electronically on magnetic tape. Administrator shall charge the actual cost to produce such information, if any, in the form requested by Qwest.

18. Audit

Qwest or its designee may audit Administrator's administration of the Qwest Disability Plan and the Benefits thereunder, and the FMLA, subject to the following conditions:

- 18.1 **Audit** Qwest may select an independent auditor, at its own expense to review Services, including, but not limited to, plan administration, eligibility and claims determinations, denials, benefit payments, contract information and such other information as appropriate to determine compliance with this Agreement, Performance Guarantee standards, the requirements of the Qwest Disability Plan and FMLA and Qwest's policies thereunder.
- 18.2 **Procedure.** In any audit under this Agreement, Qwest shall give Administrator notice in writing of its desire to conduct an audit. Qwest shall not request more than one (1) audit per calendar year. Audits shall be conducted during normal working business hours at the offices of Administrator. Administrator shall provide appropriate records and documents for Qwest to evaluate the administration of the Plan's Benefits pursuant to this Agreement. Audits shall not be conducted for the same scope and time frame or portion of time of a previously conducted audit unless one of the following occurs: (1) Qwest is required by a governmental agency to audit a period or periods; (2) reasonable evidence of fraud exists; or (3) the audit identifies a systemic discrepancy, acknowledged as such by Administrator and strongly suspected of having preexisted the audit period.
- 18.3. **Types of Audits.**

A. Claims Audits.

1. Subject to the requirements of Sections A and B of this Audit provision, all applicable laws and regulations, Qwest shall have the right to conduct an audit of the claims paid under this Agreement. The audit shall be coordinated with Administrator. Audit sampling methodology shall be mutually agreed to by the parties and must be based on the universe of claims under review. A preliminary draft of the audit report shall be submitted to Administrator fifteen (15) days prior to issuance of the final report.
2. Reimbursement of Overpayments will be made on an individual case basis and under the terms of the Overpayment provision of this Agreement.

- B. **Financial Audits.** For purposes of this section, financial audits are audits performed by a public accounting firm to certify Qwest's financial statements. Subject to the requirements of Sections A and B of this Audit provision, all applicable laws and regulations, financial audits shall be limited to an examination of Administrator's records of provider charges, reimbursements and amounts invoiced to the Plan under this Agreement. Qwest shall reimburse Administrator for the actual cost of any specialized reporting requested of Administrator as part of the audit.
- C. **Governmental Audits.** Administrator shall cooperate and assist Qwest to comply with requests by a governmental agency to perform an audit of the Qwest Disability Plan and/or the FMLA policies.
- D. **Survival.** This Audit provision shall survive termination of this Agreement for any reason whatsoever.

19. Dispute Resolution:

- 19.1 **Negotiation Between Executives.** The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and the response shall include (a) a statement of each party's position and a summary of arguments supporting that position and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within thirty (30) days after delivery of the disputing party's notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 19.2 **Arbitration.** Any dispute arising out of or relating to this Agreement, including the breach, termination or validity hereof, that has not been resolved by negotiation as provided herein within ninety (90) days of the initiation of such procedure, shall be settled by arbitration pursuant to the Federal Arbitration Act, 9 U.S.C. §. 1 et seq. The arbitration shall be conducted in accordance with the JAMS Comprehensive Arbitration Rules, but need not be administered by JAMS unless the parties cannot otherwise agree upon the selection of an arbitrator within thirty (30) days of the receipt of a written demand for arbitration. In the event the parties cannot reach agreement on the selection of an arbitrator, either party may commence the arbitration process by filing a written demand for arbitration with JAMS, with a copy to the other party. The written demand for arbitration called for by this paragraph shall contain sufficient detail regarding the party's claims to permit the other party to understand the claims and identify witnesses and relevant documents.

The arbitrator must be classified as an expert in disability plan issues, ERISA and FMLA, as appropriate to the underlying dispute. Arbitrator shall have a minimum of 8 years of experience with regard to ERISA and FMLA.

The arbitrator may, upon good cause shown, expand the discovery permitted by the JAMS rules and extend any applicable deadlines. The arbitrator may decide a motion for summary disposition of claims or issues, either by agreement of all interested parties or at the request of one party, provided other interested parties have reasonable notice to respond to the request. The arbitrator shall not have the authority to determine claims over which a regulatory agency has exclusive jurisdiction. The arbitrator shall not be empowered to award, nor shall any party be entitled to receive, any damages or awards that are barred by the "Limitation of Liability" Section of this Agreement. The arbitrator's decision shall follow the plain meaning of the Agreement and shall be final, binding, and enforceable in a court of competent jurisdiction. The arbitrator shall issue an award no later than sixty (60) days after the commencement of the arbitration hearing unless the parties agree otherwise. Each party shall bear its own costs and attorneys' fees and shall share equally in the fees and expenses of the arbitrator. The arbitration proceedings shall occur in the Denver, Colorado metropolitan area.

Should it become necessary to resort to court proceedings to enforce a party's compliance with the dispute resolution process set forth herein, and the court directs or otherwise requires compliance herewith, then all of the costs and expenses, including its reasonable attorneys fees, incurred by the party requesting such enforcement shall be reimbursed by the non-complying party to the requesting party. Venue shall be deemed proper in the federal, state and county courts located in the City and County of Denver, State of Colorado, and said courts shall have exclusive jurisdiction over any proceedings arising out of this Agreement.

- 19.3 Confidentiality.** The parties agree to keep all disputes arising under this Agreement confidential except as necessary in connection with a judicial challenge to or enforcement of an award or unless otherwise required by law or judicial decision. The arbitrator may issue orders to protect the confidentiality of proprietary information, trade secrets or other sensitive information.

20. Governing Law:

This Agreement will be governed by the laws of the State of Colorado without reference to its choice of law rules.

21. Force Majeure:

Neither party will be liable to the other party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control.

22. Records:

Where Services are provided on a time and materials basis, Administrator will submit time sheets to Qwest on a bi-weekly basis. Administrator will maintain complete and accurate records of all charges incurred by Qwest under this Agreement, including all records necessary to substantiate charges and hours worked, in accordance with generally accepted accounting principles, for a period of 7 years from the date of termination or expiration of this Agreement. Qwest may inspect Administrator's records upon reasonable notice and may keep copies thereof in accordance with the provisions of this Agreement.

23. Assignment and Subcontracting:

Administrator may not assign this Agreement, in whole or in part, without the prior written consent of Qwest, and any attempted assignment by Administrator will be void. Administrator may not subcontract any Services under this Agreement without Qwest's prior written approval, which Qwest may deny in its sole discretion. The rights and obligations of each party will be binding upon and inure to the benefit of its successors and permitted assigns.

24. Notices:

Notices required under this Agreement will be sent to the addresses of the parties stated below. Notice will be deemed given as of the day of receipt, if sent via first class U.S. Mail, charges prepaid, return receipt requested; and as of the day of receipt, if hand delivered.

25. Advertising, Publicity:

Neither party will use the other party's names, marks, codes, drawings or specifications in any advertising, press release, promotional effort or publicity of any kind without the prior written permission of the other party.

26. Waivers:

Any waiver by either party of a breach of any provision of this Agreement will not operate as or be construed to be a waiver of any other breach of that or any other provision of this Agreement. Any waiver must be in writing. Failure by either party to insist upon strict adherence to any provision of this Agreement on one or more occasions will not deprive such party of the right to insist upon strict adherence to that or any other provision of this Agreement.

27. Modifications or Amendments:

Any modifications or amendments to this Agreement must be in writing and signed by both parties.

28. Non-exclusive Agreement:

This Agreement is non-exclusive and Qwest does not make any commitment or guarantee for any minimum or maximum amount of purchases.

29. Severability:

The determination that any provision of this Agreement is invalid or unenforceable will not invalidate this Agreement, and this Agreement will be construed and performed in all respects as if such invalid or unenforceable provision was omitted insofar as the primary purpose of this Agreement is not frustrated.

30. Time of Essence:

Time is of the essence with respect to Administrator's obligations hereunder.

31. Administrator's Dependence:

Administrator acknowledges and agrees that Qwest is not responsible for knowing Administrator's dependence on revenues from Services to Qwest in proportion to Administrator's revenues from other customers, and Administrator agrees to release, hold harmless and indemnify Qwest from any and all claims and liabilities relating to Administrator's financial stability which may result from Qwest's termination of this Agreement for any reason whatsoever.

32. No Recruiting:

During the term of this Agreement and for a period of one year thereafter, in the event that either party (the "Recruiting Party") both recruits and then either employs, or directly or indirectly contracts (other than by means of this Agreement) for the performance of services by, any individual who had been employed by the other party (the "Former Employer") and who had been involved in the performance of Services under this Agreement, the Recruiting Party will pay to the Former Employer within thirty (30) days of the date of such hiring or contract, an amount equal to fifty percent (50%) of the compensation paid by the Former Employer to such individual during the preceding 12 months as a fee for the benefit obtained by the Recruiting Party. For purposes of this Section, the term "recruit" shall not include unsolicited applications for jobs, responses to public advertisements, or candidates submitted by recruiting firms, without the Recruiting Party having initiated the contact with the individual involved. The Parties can mutually agree to waive terms hereunder (including any fees).

33. Entire Agreement:

This Agreement, together with all exhibits, contains the entire understanding between the parties with respect to the subject matter herein contained and supersedes all prior oral and written understandings, arrangements and agreements between the parties relating thereto. Notwithstanding the foregoing, any non-

disclosure or confidentiality agreement entered into by the parties in advance of this Agreement will remain effective according to its terms.

The parties, intending to be legally bound, have caused this Agreement to be executed as of the Effective Date.

**QWEST Business Resources, Inc. as agent for
Qwest Communications International Inc.**

Reed Group Ltd.

James R. Brown
(Authorized Signature)

Jane L. Brown
(Print or Type Name of Signatory)

Strategic Sourcing Mgr.
(Title)

4-16-04
(Execution Date)

Address for Purposes of Notices:

Procurement - Strategic Sourcing Manager
Qwest Communications International Inc.
700 West Mineral Avenue
Littleton, Colorado 80120

[Signature]
(Authorized Signature)

Judith Condo
(Print or Type Name of Signatory)

CFO
(Title)

3/8/05
(Execution Date)

Address for Purposes of Notices:

EXHIBIT A

<u>Subsidiary of Qwest Communications International, Inc.</u>	<u>Jurisdiction of Incorporation</u>
1056974 Ontario, Inc.	Ontario
1200 Landmark Center Condominium Association	Nebraska
Block 142 Parking Garage Association	Colorado
El Paso County Telephone Company	Colorado
KPNQwest N.V.	Netherlands
LCI International, Inc.	Delaware
Lightwave Spectrum, Inc.	Delaware
Malheur Home Telephone Company	Oregon
Opticom S.A. de C.V.	Mexico
Qwest Advanced Technologies, Inc.	Colorado
Qwest (Asia) Limited	Hong Kong
Qwest Asset Management Company	Colorado
Qwest B.V.	Netherlands
Qwest Broadband Services, Inc.	Delaware
Qwest Business Resources, Inc.	Colorado
Qwest Capital Funding, Inc.	Colorado
Qwest Communications Corporation	Delaware
Qwest Communications Corporation of Virginia	Virginia
Qwest Communications International Ltd.	United Kingdom
Qwest Communications Japan Corporation	Japan
Qwest Corporation	Colorado
Qwest Cyber.Solutions LLC	Delaware
Qwest Database Services, Inc.	Colorado
Qwest Dex Holdings, Inc.	Delaware
Qwest Dex, Inc.	Colorado
Qwest Digital Media, LLC	Delaware
Qwest Foundation	Colorado
Qwest Government Services, Inc.	Colorado
Qwest Hong Kong Telecommunications, Limited	Hong Kong
Qwest Hong Kong, LLC	Delaware
Qwest Information Technologies, Inc.	Colorado
Qwest Internet Solutions, Inc.	Delaware
Qwest Interprise America, Inc.	Colorado
Qwest Interprise America of Virginia, Inc.	Virginia
Qwest Investment Company	Delaware

Qwest IP Holdings, Inc.	Delaware
Qwest Japan Holding Company	Delaware
Qwest Japan, Inc.	Delaware
Qwest LD Corp.	Delaware
Qwest N Limited Partnership	Delaware
Qwest Services Corporation	Colorado
Qwest Singapore Pte Ltd.	Singapore
Qwest Telecommunications Asia, Limited	Hong Kong
Qwest Transoceanic, Inc.	Delaware
Qwest Wireless, LLC	Delaware
Servicios Derecho de Via S.A.de C.V.	Mexico
Training Partnerships, Inc.	Colorado
Transoceanic Operations, Inc.	Delaware
TW Wireless, LLC	Delaware
USLD Communications, Inc.	Texas
Vicorp.com	Delaware
Vicorp.com International	Delaware
Western Re, Inc.	Vermont

STATEMENT OF WORK NO. 1

to

PROFESSIONAL SERVICES AGREEMENT NO. QW03-02390

This Statement of Work is attached to and made a part of Agreement #QW03-02390. In the event that any term of this Statement of Work conflicts with anything contained in the Agreement, this Statement of Work will control for purposes of this Statement of Work only. Unless otherwise defined herein, all capitalized terms in this Statement of Work will have the meanings set forth in the Agreement.

Scope of Services. Administrator will provide the Services set forth on Attachment A to this Statement of Work No.1 to Qwest Services Corporation in accordance with the terms of the Plan documents and FMLA policies.

Service Sites. Services will be performed at the Administrator's offices. Occasionally there will be meetings with the Qwest Human Resources staff at 1801 California Street, Denver, CO.

Service Specifications/Performance Standards. Administrator shall perform Services according to the Performance Standards set forth in Exhibit C to the Agreement.

Service Fees. During the term of this Statement of Work, fees for Services rendered hereunder shall be as stated in Exhibit B to the Agreement and shall be held firm.

Labor, Tools, Equipment and Materials. Administrator will be responsible for supplying all labor, tools, equipment and materials necessary to provide the Services.

Training. Qwest has the right to make unlimited copies of training materials provided by Administrator for the internal use of Qwest and its Affiliates. Administrator will retain ownership of all previously developed training materials provided to Qwest hereunder.

Hours Report. If Administrator's employees or agents will be working on Qwest's premises, Administrator will maintain all information required for IRS reporting purposes, including the total number of hours spent by each of its employees and agents: (a) performing under this Agreement; and (b) performing any other work for Qwest and/or its Affiliates. In the event that any of Administrator's employees or agents works 1,500 or more hours for Qwest during any calendar year, Administrator will provide Qwest with the name and social security number of each such individual prior to March 15 of the year following the calendar year in which the work was performed.

Reimbursable Expenses. Qwest will reimburse Administrator for necessary and reasonable expenses incurred by Administrator in the performance of this Statement of Work, in accordance with the procedures and criteria set forth below, provided that Qwest approves the expenses in writing in advance.

Payment Policy. Qwest-approved travel and Qwest-approved out-of pocket expenses incurred in performing under the Agreement shall be invoiced to Qwest at cost.

Project Managers.

Qwest:
Maria Henderson
Kathryn Keim
1801 California Street
Room 4520
Denver, CO 80202-1984

Administrator:
Michael Neal
4041 Hanover Ave., 2nd Floor
Boulder, CO 80305

Status Reports. Administrator will provide Qwest with written Status Reports on a periodic basis, as approved by both Qwest and Administrator, detailing the progress of the Services and any problems that may affect the milestone dates for completion of Services.

Project Changes. Any changes to the Services to be performed under this Statement of Work must be in writing and signed by both parties.

M/WBE Subcontracting Plan. Support of Minority and Women Businesses is part of Qwest's ongoing business strategy. Administrator will subcontract in accordance with a subcontracting plan approved by Qwest. Such subcontracting plan will be incorporated herein as an attachment to the Agreement entitled "M/WBE Subcontracting Plan."

Electronic Data Interchange ("EDI"). Qwest and Administrator will enter into a Trading Partner Agreement to implement EDI transactions. Such Trading Partner Agreement will be incorporated herein as an attachment to the Agreement entitled "Electronic Data Interchange."

The parties to the Agreement, intending to be legally bound, have caused this Statement of Work to be executed on the dates set forth below.

**QWEST Business Resources, Inc. as agent for
Qwest Services Corporation**

Reed Group, Ltd.


(Authorized Signature)


(Authorized Signature)

Jane L. BROWN
(Print or Type Name of Signatory)

Judith Condo
(Print or Type Name of Signatory)

Strategic Sourcing Mgr.
(Title)

CFO
(Title)

8-17-04
(Execution Date)

8/12/04
(Execution Date)

Attachment A
to
Statement of Work No. 1
to
Professional Services Agreement #QW03-02390

- Integrated telephonic intake process for STD/LTD and FMLA (Qwest provides 800 number)
- Future capabilities for web-based intake alternatives
- Triage of claims to appropriate claim examiner and/or clinical resources
- Recognition of potential WC issues in STD intake and on-going claim management
- STD/LTD advice to pay benefit determination
- STD/LTD clinical case management and vocational rehabilitation
- Integration with WC for medical information exchange, benefit assessment and communication with employees and employer representatives
- Ability to partner with current physician review vendors
- Expertise with behavioral health cases
- Dedicated team for Qwest account with claims divided into a Business Unit Model
- Prompt notification of expected return to work to supervisor
- Prompt notification of denials to local union representatives
- For STD: Electronic data transfer to Qwest's payroll (frequency based on payroll cycles) for advice to pay/deny with timeframes (our payroll calculates benefit amount and deductions)
- For LTD: Electronic data transfer to Bankers Trust for monthly pay distributions (Supplier calculates benefit amount and applicable off-sets)
- Concurrent claim management and integration with Workers' Compensation vendor
- ERISA claims appeal (full fiduciary) for STD and LTD benefits (clinical and administrative)
- Certification of medically appropriate restrictions in accordance with collective bargaining agreements- both concurrent with disability claim management and for stand alone cases
- Process to maximize Social Security, subrogation and other off-sets for STD/LTD
- Ability to integrate LTD and disability pension processes
- FMLA - concurrent tracking for employees out on disability or Workers' Compensation
- Ability to track and administer FMLA leave to include continuous and intermittent leave
- Claim system quality assurance-data accuracy
- Access to services **must** be available within normal business hours across all US time zones.
- Programs **must** provide qualified, bilingual professionals to perform essential services for our Spanish speaking employees and TDD capabilities for those with hearing impairments.
- Integrated data analytics - ability to receive disability, payroll, HRIS, and health plan data to provide correlations and analytics for targeted business interventions
- Ability to provide data feeds to other suppliers (especially if full data analytic capabilities are not included in your response)
- Ability to coordinate processes with future Qwest initiatives - e.g. Disease Management
- Compliance with state and federal laws and ability to leverage best practice initiatives for compliance across entire book of business
- Commitment to continuous process improvement, streamlined and efficient processes
- Support a successful transition from the current disability supplier
- Work in a mutual partnership with Qwest to develop the additional services and program integration desired.

EXHIBIT B
ADMINISTRATOR'S RATES FOR SERVICES

EXHIBIT B
ADMINISTRATOR'S RATES FOR SERVICES

Per Employee Per Month (PEPM) Costs

STD administration fees	LTD administration fees
\$3.80 PEPM	\$1.15 PEPM

FMLA administration fees	Analytic Services¹
\$0.85 PEPM	\$12,000 per Month

¹ Although Qwest has elected not to engage in a full analytic service at this time, Reed Group will honor this price offer at any time during this contract given 30 days notice and contingent on the understanding that the services will continue through the end of this agreement.

Qwest's Total Combined Fee for STD/LTD/FMLA: \$5.51 PEPM*

* This bundled rate is offered since Reed Group is providing services for STD, LTD, and FMLA.

The negotiated total combined service fee for the deliverables described in this service agreement is \$5.51 per employee per month. At the beginning of each quarter, Reed Group Ltd will determine the current number of employees from the eligibility file that will be provided by Qwest.

Necessary and reasonable expenses incurred by Reed and approved by Qwest, and any Special Fees (what are these?), if any, must be pre-approved pursuant to Statement of Work No. 1 to this Agreement, "Reimbursable Expenses" and will be billed separately on a monthly basis also pursuant to Statement of Work No. 1 to this Agreement, "Reimbursable Expenses." Basic service fees include standard reports only.

Reed Group will participate in regular telephonic or in person meetings. Consulting customized reports and extraordinary travel, if approved by Qwest, will be billed at usual and customary rates. All invoices are due 45 days after invoicing (pursuant to Section 4.4 of the PSA).

In addition, all rates have been agreed upon assuming certain incident rates, these are as follows;

- 15% incidence rate for STD/Medical Restrictions
- 2% incidence rate for LTD
- 10% incidence rate for FMLA

If any program incident rate should change by more than 10%, Reed Group reserves the right to adjust rates listed above in a manner proportional to the increase in incidence.

A. Take Over Fees

Reed Group will charge a "take over fee" for each case that it takes over on the effective date of this agreement. The take over fees per case and type are as follows:

- FMLA/Medical Restrictions: \$150
- STD: \$250
- LTD: \$250

Reed Group shall present Qwest Disability and Workplace Interventions with an invoice detailing the total number of cases and the take over fees no later than April 30, 2004. Reed Group has agreed to amortize the total amount of these take over fees over the first 3 years of the contract. One third (1/3) of the total take over fees will be billed on April 30, 2004, the second third (1/3) will be billed on April 30, 2005 and the final third (1/3) will be billed on April 30, 2006.

B. Implementation Costs

Reed Group has agreed to include all implementation costs in our PEPM and has amortized these costs over 36 months. These costs will be provided to Qwest upon request after all implementation activities have been completed (total costs not to exceed \$500,000, but not later than April 30, 2004.

Additional Services:

IME's, FCEs, NPT's	At cost
Ad hoc reporting	At cost / \$175 hour **Included in Data Analytics Estimate above
2 nd and 3 rd opinions (including the costs associated with appeals)	At cost
Legal representation	At cost
Surveillance	At cost
Remote System Access	TBD
MDA Internet Access	Included for 1,000 Physicians for a one-year subscription

Reed Group shall present Qwest Disability and Workplace Interventions with an invoice detailing the total number of implementation costs no later than April 30, 2004.

EXHIBIT C
PERFORMANCE GUARANTEES

Measure		Description	Data Source	Quarterly Weight	Estimated Quarterly Fees	Annual Weight	Estimated Annual Fees
Customer Service	Service Level	85% of Calls Answered in 30 Seconds	Phone System	0.31%	\$10,313	1.25%	\$41,250
	Abandonment Rate	<= 5% of Calls Abandoned	Phone System	0.25%	\$8,250	1.00%	\$33,000
	Issue Response	95% of issues responded to in 1 business day.	System report/Audits	0.25%	\$8,250	1.00%	\$33,000
Short Term Disability	Disability Determination	95% of all determinations made within two business day of receipt of all necessary information.	System report/Audits	0.31%	\$10,313	1.25%	\$41,250
	ERISA Compliance - Appeals	100% of all appeals with all necessary steps handled within ERISA timelines.	System report/Audits	0.50%	\$16,500	2.00%	\$66,000
Long Term Disability	Financial Accuracy	The calculation of LTD gross benefits (including applicable offsets) will be accurate for 98% of all cases based on the information provided.	Audit	0.25%	\$8,250	1.00%	\$33,000
	SSDI Advocacy	95% referral rate of cases to SSDI advocacy group (when appropriate).	Audit/System report	0.25%	\$8,250	1.00%	\$33,000
	Voc Rehab Assessment	95% of time a Voc Rehab assessment is completed (when appropriate).	Audit/System report	0.25%	\$8,250	1.00%	\$33,000
	FMLA Notification	95% of all FMLA leaves are communicated to the supervisors within one business day.	System report/Audits	0.25%	\$8,250	1.00%	\$33,000
FML	FMLA Determination	98% of all determinations made within two business day of receipt of all necessary information.	System report/Audits	0.50%	\$16,500	2.00%	\$66,000
Medical Restrictions	Medical Restriction Determination	95% of all determinations made within two business day of receipt of all necessary information.	System report/Audits	0.31%	\$10,313	1.25%	\$41,250
	Medical Restriction Quality	% score on MR audit	Audit	0.25%	\$8,250	1.00%	\$33,000
	RTW Effectiveness	TBD - Using EMPAQ standards	Audit	0.31%	\$10,313	1.25%	\$41,250
Customer Satisfaction	Employee Satisfaction Survey	EMPAQ Standards	Quarterly Survey	0.50%	\$16,500	2.00%	\$66,000
	Supervisor Satisfaction Survey	EMPAQ-like Standards and Scoring	Quarterly Survey	0.25%	\$8,250	1.00%	\$33,000
	Account Satisfaction Survey	EMPAQ-like Standards and Scoring	BI-annual Survey	0.25%	\$8,250	1.00%	\$33,000

2004 data will be used to validate measures and targets as well as to establish benchmarks.

Q2 2004 data will be used to validate measures and targets as well as to establish baselines for the audits and surveys. Qwest and Reed Group will meet to discuss and make any necessary adjustments. Assuming that Qwest and Reed have agreed to appropriate changes, the penalties associated with these performance guarantees will be effective Q3 2004.

EXHIBIT D
QWEST DISABILITY PLAN AND SUMMARY PLAN DESCRIPTION
QWEST FMLA POLICIES

AMENDMENT 2003-1

QWEST DISABILITY PLAN

The Qwest Disability Plan is hereby amended as set forth below:

1. Paragraph 1.14(b) is hereby amended to provide as follows:

Long-Term Disability Benefits. Effective July 1, 2003, Management and Occupational Employees may become eligible for Long-Term Disability Benefits under this Plan. Prior to July 1, 2003, only Occupational Employees were eligible for Long-Term Disability Benefits under this Plan. Any Management Employee who is eligible for Modified Disability Pension benefits under the Qwest Pension Plan shall not be eligible for any Long-Term Disability Benefits under this Plan.

Executed this 22nd day of May, 2003

PLAN DESIGN COMMITTEE,
QWEST COMMUNICATIONS INTERNATIONAL INC.

By _____
Jill Sanford
Its: Vice President – Compensation,
Benefits and HRIS

QWEST DISABILITY PLAN

Effective as of January 1, 2002

**SUMMARY PLAN DESCRIPTION
OCCUPATIONAL SHORT-TERM DISABILITY**

INTRODUCTION

Qwest Communications International Inc. (the "Company") maintains the Qwest Disability Plan (the "Plan") to provide benefits to employees who are eligible to participate in the Plan if they become disabled as defined in the Plan and satisfy the requirements described in the Plan.

This booklet (your "Summary Plan Description" or "SPD") is provided to explain how the Plan works. It describes your benefits and rights as well as your obligations under the Plan. It is important for you to understand that because this SPD is only a summary, it cannot cover all the details of the Plan or how the rules will apply to every person in every situation. All of the specific rules governing the Plan are contained in the Plan document. You, your beneficiaries and your lawyer (or other legal representative) may examine the Plan document and other documents relating to the plan during regular business hours or by appointment at a mutually convenient time in the office of the Plan Administrator.

This SPD describes the short-term disability (STD) benefits under the Plan for occupational employees on and after January 1, 2002. The benefits for management employees are described in a separate SPD. The Plan provides short-term disability (STD) and long-term disability (LTD) benefits for occupational employees. You should consult your SPD for the Occupational LTD Benefits for more information regarding your LTD benefits.

If you have any questions about the Plan, you should contact the Plan Administrator. The name, address and telephone number of the Plan Administrator and other important information about the Plan and its administration are shown in the General section of this SPD.

Special Provisions for Employees in New York

If you are employed by Qwest in the state of New York, there are special disability benefits rules mandated by New York law that are applicable to you. See the section **Special New York Provisions** on page 17 for a more detailed explanation of the special provisions.

This document summarizes certain provisions of the Qwest Disability Plan. If there is any conflict between the terms of the Plan document and this document, the terms of the Plan document will govern. Qwest reserves the right to interpret and resolve any ambiguities in the Plan or any document relating to the Plan.

Benefits are determined by Qwest and do not create a contract of employment. The Company has the right to change, modify, discontinue or terminate the plan and the benefits under the Plan at any time without prior notice.

PLAN ADMINISTRATION

Name of Plan: Qwest Disability Plan

Type of Benefits: Disability Benefits

Administration of the Plan: The Plan is self-funded; benefits are paid by the employer from its general assets or from the assets of a trust. The Third Party Administrator reviews claims and determines qualification for benefits under the Plan.

Plan Number: 513

Plan Sponsor: Qwest Communications International Inc.
1801 California Street
Denver, CO 80202

Employer Identification Number: 84-1339282

Other Adopting Employers: You can contact the Benefits Group in the Human Resources Department for a list of adopting employers

Plan Year: January 1 to December 31

Plan Administrator: Qwest Communications International Inc.
1801 California Street, Room 1150
Denver, CO 80202
303.672.2834

Third Party Administrator: Sedgwick Claims Management Services
1801 California Street, Room 1140
Denver, Colorado 80202
1.866.UNI.call (1.866.864.2255)

Agent for Service of Legal Process: Associate General Counsel
Qwest Communications International Inc.
1801 California Street
Denver, CO 80202
Legal process may also be served on:
The Corporation Company (a.k.a. CT Corp)
1675 Broadway, Suite 1200
Denver, Colorado 80202

Description of Short-Term Disability Benefits For Occupational Employees Effective 1/1/02

Short-Term Disability Benefits (STD)

Short-term disability benefits provide financial support in cases of disability lasting longer than seven days.

Provided you meet all of the requirements described in this section, STD benefits will start after a waiting period of seven calendar days of disability. The benefit amount you receive will depend upon your service, your compensation, and the length of your disability.

Plan Participation

You're eligible for participation (coverage) if you:

- Are an active employee of a participating company;
- Aren't considered an incidental or occasional employee, leased worker or independent contractor; and
- Have completed the service requirement, which is:
 - Six months of service - except job-related disabilities (on-job) approved under workers' compensation laws in your state will be covered by the Qwest Disability Plan on your first day of employment.

You're *not* covered by the Disability Plan while you're on a Leave of Absence (LOA). However, you will be covered on the day you're scheduled to return to work after your leave, even if you're unable to return on that date because of a disability.

If you're a temporary or "term" employee, you're covered for the duration of the job for which you were hired.

Service

For purposes of determining disability benefits, your service is the greater of your Term of Employment (TOE) as defined in the Qwest Pension Plan, the total amount of service you have earned with Qwest Communications International Inc. and any of its subsidiaries as part of TOE, plus service granted as part of an agreement during a merger or acquisition.

Documenting A Disability

"Objective medical documentation" is written documentation of observable and measurable findings of symptoms. Examples of objective findings that may or may not support the presence of a disabling condition include x-ray reports, elevated blood pressure readings, temperature (or fever), lab test results, etc. "Subjective" information is documentation of non-observable or non-measurable symptoms. Subjective symptoms relate to how a person feels. Examples are: "My throat hurts," or "I'm tired all the time," or "I am in pain."

Disability Definition

The plan defines "Disability" as an illness or injury, supported by objective medical documentation, that prevents you from performing the normal job duties of your regular job or any other job to which you may be assigned (with or without modification).

When Coverage Ends

Your coverage will end on the earlier of the date your active Company employment in a covered employment classification ends for any reason other than for a disability covered by these plans, when you die or if the Company discontinues this benefit. If you're a temporary or "term" employee, your coverage will end when the job for which you were hired ends - whether or not you were receiving plan payments at that time.

Eligibility To Receive Benefits

If you're unable to work due to a disability that lasts longer than seven calendar days, your STD benefit period starts on the eighth calendar day of your disability.

Reporting A Disability

While STD benefits are available to you when you need them, you must file a claim by reporting any disability that keeps you from coming to work for more than seven calendar days.

Follow this process in order to report a disability:

- Contact your supervisor **on the first day of absence** to report your disability.
- Contact the Third Party Administrator by calling UNICall at 1-866-UNI-call (864-2255) **on or before the fourth calendar day** of your absence - or on the first day of a relapse. Your supervisor or a representative can report your disability if you're unable to do so. If your absence is due to an on-job illness or injury, contact the Third Party Administrator immediately by calling UNICALL at 1-866-UNI-call (864-2255).

Benefit Payment Requirements

To receive STD benefits, you must:

- Report the disability, as explained in the "Reporting a Disability" section and stay in contact with the Third Party Administrator.
- Place yourself under an approved provider's care and follow the recommended treatment of your provider and any recommendations for treatment made by the Third Party Administrator (see the "Approved Providers" box for the definition of an approved provider). Normally, you should seek treatment by an approved provider if your condition causes an absence lasting two or more days.
- Furnish documentation (including objective findings) of your disability to the Third Party Administrator as soon as possible but no later than two weeks from your first day of absence, and cooperate with requests for additional information.

- Report for medical examinations at the request of the Third Party Administrator.
- Obtain permission from the Third Party Administrator if you need to recuperate away from your home or leave your community for any reason at any time during your disability.
- Obtain permission from the Third Party Administrator to attend school during your disability.
- Obtain written permission from the Third Party Administrator to hold employment outside Qwest during your disability period.
- Apply for Social Security Disability Insurance Benefits (SSDIB) when eligible or at the plan administrator's request, and meet the additional requirements outlined in the "Social Security Disability Insurance Benefits Requirements" section.
- Report any other source of disability income and reimburse the Company for any overpayment of benefits that occurs for any reason, including, but not limited to, a Social Security Disability Insurance Benefit (SSDIB) award received for a period during which you also received disability benefits from the Company.

If you fail to comply with these requirements, your benefits may be denied, reduced, or discontinued. If your claim is denied, in whole or in part, you're entitled to a review. The review procedure is outlined in the "Claims Procedure" section. All disputes are resolved through the claim review procedure rather than through grievance procedures outlined in collective bargaining agreements.

Benefits won't be payable during any period of disability in which you're not under the care of an approved provider, although confinement in a hospital isn't necessary. Your provider must, however, document the objective findings that support your inability to work.

It's important to follow your provider's recommended treatment plan. However, the Third Party Administrator will review the treatment plan and length of disability (including total disability or partial disability that may qualify for Rehabilitation Benefits) for payment under the plan based on current industry standards for your illness or injury.

Your benefits may be suspended if you or your provider fails to cooperate with requests by the Third Party Administrator for medical documentation or if you fail to undergo an evaluation or other review of your disability status.

Approved Providers

The types of providers listed below will be approved by the plan when they provide services within the scope of their license, and when the full range of proper treatment for the disability-causing condition falls within the scope of the provider's license and practice. Approved providers for purposes of this plan include those licensed as follows:

- Physician- a doctor of medicine or osteopathy licensed to prescribe and administer all drugs and perform surgery
- Nurse midwife/ practitioner
- Dentist
- Podiatrist
- Ophthalmologist or optometrist
- Chiropractor
- Psychiatrist
- Licensed psychologist
- Licensed social worker

The Company requires complete and accurate information with regard to all disability benefits. Intentional misrepresentation of any kind will be cause for denial of disability benefits.

On-Job Illness/Injury

Any illness or injury that arises in the course or scope of your employment with the Company and is approved by the Third Party Administrator as qualifying under the workers' compensation laws of your state.

On-Job Disability Benefits Payment Schedule

If your disability is a result of an on-job illness or injury that has been approved under the workers' compensation laws of your state, you may be eligible for STD payments according to the following schedule:

If your years of service are...	Your benefit would be...	
	100% Of Normal Take-Home Pay for up to...	60% Of Normal Take-Home Pay for up to...
Up to 5 years	4 weeks	48 weeks
5 years but less than 15 years	13 weeks	39 weeks
15 years but less than 20 years	26 weeks	26 weeks
20 years but less than 25 years	39 weeks	13 weeks
25 or more years	52 weeks	0 weeks

Short-term disability benefits can last up to 52 weeks (364 days). You may be eligible for extended benefits if you have had two or more unrelated disabilities (see the "Successive Periods of Disability" section for more information).

The Third Party Administrator will determine if you meet the requirements for STD payments using the case management process. These requirements may differ from the workers' compensation law requirements in your state. This means it's possible that you may not be eligible for STD benefits, even though you're granted workers' compensation, or that your STD payments may end before workers' compensation payments end.

Illness/Off-Job Disability Benefits Payment Schedule and Benefit Payment Requirements

If your disability is a result of an illness, an off-job injury, or an on-job injury denied by workers' compensation, you may be eligible for STD payments according to the following schedule:

If your years of service are...	Your benefit would be...	
	100% of Normal Take-Home Pay for up to...	60% of Normal Take-Home Pay for up to...
6 months but less than 2 years	0 weeks	52 weeks
2 years but less than 5 years	4 weeks	48 weeks
5 years but less than 15 years	13 weeks	39 weeks
15 years but less than 20 years	26 weeks	26 weeks
20 years but less than 25 years	39 weeks	13 weeks
25 or more years	52 weeks	0 weeks

Short-term disability benefits can last up to 52 weeks (364 days). You may be eligible for extended benefits if you have had two or more unrelated disabilities (see the "Successive Periods of Disability" section for more information).

Qwest gives all employees the benefit of the doubt and pays a STD benefit to an employee in advance of the employee qualifying for the STD benefit. If you have received STD payments on your Qwest payroll check, that is not a guarantee that you have been approved to receive the STD payment. Only the Third Party administrator can approve you for STD. If later you are found not to be eligible for these benefits, you will reimburse the company for the advanced payment.

Benefit Amount

The benefit payments you may eligible to receive depend on the following factors as they apply on the eighth calendar day of your disability:

- The cause of your injury (on-job illness/injury or off-job illness/injury).
- Your Base Pay Rate (or Normal Take-Home Pay if you have an on-job illness/injury covered by workers' compensation).
- Your average hours of work under your contract of hiring (not including overtime).
- Your years of service.
- Other sources of disability income (see the "Payments Offset By Other Benefits" section).

Base Pay Rate

"Base Pay Rate" will be used to calculate disability benefits for participants not receiving non-taxable workers' compensation pay.

Except as specified below, your Base Pay Rate equals regular wages plus average night differentials, if applicable. Overtime, bonuses, commissions (including "at risk" pay), and other differentials are not included as part of your Base Pay Rate.

Base Pay Rate Exceptions

- For **Qwest Dex, Inc.** participants carrying a title of Directory Advertising Consultant - Telephone or Area Directory Advertising Consultant, "Base Pay Rate" will be based on "average earnings." Average earnings include an average on commissions and is calculated in accordance with the appropriate collective bargaining agreement.
- For **Qwest Communications International Inc.** participants disabled after September 28, 1995, carrying a title of Sales Consultant and participating in the Leveraged Compensation Plan, "Base Pay Rate" will be equal to the target wage rate as defined in the Leveraged Compensation Plan.

Normal Take-Home Pay

Your Normal Take-Home Pay consists of your Base Pay Rate minus all applicable federal, state, and local taxes.

Workers' Compensation and Your Disability Pay

If you're receiving non-taxable workers' compensation pay, your STD benefits will be the difference between your workers' compensation benefits plus any other benefits you receive (such as Social Security disability benefits) and 100% or 60% of your Normal Take-Home Pay (based on the payment schedules listed in the "On-job Disability Benefits Payment Schedule" and "Illness/Off-Job Disability Benefits Payment Schedule").

The following example demonstrates how STD benefits are calculated at 100% of Normal Take-Home Pay, assuming you are disabled due to an on-job illness or injury and are receiving workers' compensation:

Example of Plan Payment Calculation

Base Pay	\$1,000
(minus) Taxes	<u>- 250</u>
(equals) Normal Take Home Pay	\$ 750
(times) Payment Scheduled Percent (100% OR 60%)	<u>x .60</u>
(equals) Maximum Payment Amount	\$ 450
(minus) Workers' Compensation Benefit	<u>-300</u>
(equals) Net Plan Benefit	\$ 150
(plus) Gross-Up for Applicable Taxes	<u>+ 35</u>
	\$ 185
Total "Gross Pay" (\$300 Workers' Compensation benefit plus \$185 gross Plan Benefit)	\$ 485
	<u>- 35</u>
	\$ 450

Pay Increases/Decreases During Disability

Your disability benefits will be increased or decreased if your Base Pay Rate is changed while you are receiving STD benefits.

Rehabilitation Benefits

Rehabilitation Benefits are benefit payments to help make up for pay lost during a partial disability period. A part time work schedule may be necessary depending on your individual condition to "rehabilitate" you towards a full time return to work. The Third Party Administrator may approve Rehabilitation Benefits for a limited time if you're unable to work your regularly scheduled hours and your medical condition is such that a gradual re-entry into the work force or a temporary reduction in your work hours will assist in your recovery. To receive Rehabilitation Benefits, you must actually work the hours as outlined by the Third Party Administrator on that day. Failure to work the hours required will result in the denial of Rehabilitation Benefits.

Rehabilitation Benefits are considered part of your STD and are paid according to the Benefit Payment Schedules listed in the "On-job Disability Benefits Payment Schedule" and "Illness/Off-Job Disability Benefits Payment Schedule." Payments will continue according to the schedule when you return to work on a part-time basis.

Rehabilitation Benefits are determined on a case-by-case basis and must be approved by the Third Party Administrator. The following guidelines apply:

- Generally, you shouldn't need to work on a part-time basis for more than three weeks. If longer periods are needed and appropriate, the Third Party Administrator will review your situation periodically (about every 30 days). If you are covered by a collective bargaining agreement, your Rehabilitation Benefits are subject to the agreement and you may be eligible for long-term use of Rehabilitation Benefits if the restrictions on your work last or are expected to last over 180 days. Rehabilitation Benefits will not be continued if the need for reduced hours becomes a permanent medical restriction.
- Part-time days will generally be at least four hours long.
- Part-time days will generally not be used for intermittent absences, such as doctor's appointments, therapy, medical treatments, etc.
- Rehabilitation Benefits are generally not used following a normal recovery period (for example, after a six-week recovery period for abdominal surgery that calls for a recovery period of four to six weeks).
- Rehabilitation Benefits may not be used in place of a leave of absence in a case of anticipated disability (for example, preoperative appointments, or non-disabling discomforts of pregnancy).

How Rehabilitation Benefit Days Are Counted

When you're receiving Rehabilitation Benefits, you're considered to be "on benefits," and Rehabilitation Benefits will be applied against the maximum period allowed for STD benefits. In addition, you won't accumulate days toward your Return-to-Work Period while you are receiving Rehabilitation Benefits.

The following chart shows how Rehabilitation Benefit days are counted as part of your maximum STD benefit period (see the "Return-to-Work Period" section).

If you're regularly scheduled to work 8 hours per day...

And you actually work...	Your Rehabilitation Benefits (hours not worked) are...	The days counted against your maximum 52-week STD benefit period are...
2 hours	6 hours	1 day
4 hours	4 hours	1/2 day
6 hours	2 hours	1/2 day

Duration Of STD Benefit

You can receive STD benefits for as long as the Third Party Administrator determines you're disabled, up to the maximum period allowed by the plan (see the "Successive Periods of Disability" section and "Rehabilitation Benefits" section).

Your STD benefits will end on the earliest of the following situations:

- You exhaust STD maximum benefits (52 weeks for any single disability, or 78 weeks in two years for two or more unrelated disabilities);
- Documentation concerning your disability isn't submitted to the Third Party Administrator;
- Documentation doesn't support total disability (however, in some cases, Rehabilitation Benefits may continue for a brief period of time);
- Documentation doesn't support the medical need for Rehabilitation Benefits;
- You're able to return to work, even if you can't perform your normal job duties;
- You fail to meet any of the benefit payment requirements listed in the "Benefit Payment Requirements" section;
- Your other sources of disability income exceed your maximum STD benefit amount set out in the benefit payment schedules listed in the "On-job Disability Benefits Payment Schedule" and "Illness/Off-Job Disability Benefits Payment Schedule"; or
- Your active employment ends.

Payments Offset By Other Benefits

Your STD benefits are reduced dollar-for-dollar for any "offsetting benefits" you may receive. "Offsetting benefits" are disability benefits you receive from other sources.

The most common "offsetting benefits" are:

- Workers' compensation or similar payments (for on-job disabilities);
- Social Security Disability Insurance Benefit (SSDIB) payments (see "Social Security Disability Insurance Benefit");
- State temporary disability insurance; and
- Similar payments provided by any present or future law.

Effect of SSDIB on Disability Benefits

Only your initial monthly SSDIB -and not any benefits paid to your family - is considered when calculating how much to reduce your disability benefits. Your disability benefits won't be further reduced for any future SSDIB cost-of-living increases.

If any present or future law - such as state disability laws-should provide for payment of disability benefits, your STD benefit will be reduced by the amount payable under the law. It is possible that a state disability insurance policy may pay you STD first, and in that case, this Plan will have the right to recover any duplicative STD benefits paid to you. Your STD benefit will not be reduced by benefits paid for military service (such as Veterans' Benefits).

It's possible that your offsetting benefits could exceed the benefit amounts payable under the plan. In that event, no benefits would be paid to you under this plan.

Benefit Adjustments

If you receive a retroactive disability payment from another source after your STD benefit has been paid to you:

- You must notify the Third Party Administrator immediately,
- You'll be notified of the overpayment amount; and
- You'll have 90 days after your notification to reimburse the Company for the overpaid amount.

Retroactive Awards of SSDIB

In some cases, the Social Security Administration may take awhile to determine whether you're eligible for SSDIB payments. At the time Social Security makes a favorable determination and plan benefits have been paid for the same period, you will be required to reimburse the Company for all or a portion of your Company-paid benefit (see the "Benefit Adjustments" section for information on repaying this overpayment).

Qwest reserves the right to deduct overpayments from future payments and/or to recover the amount through payroll deduction when you return to work.

Social Security Disability Insurance Benefit (SSDIB) Requirements

If your disability lasts longer than five months, you must apply for Social Security Disability Insurance.

To ensure that you receive your maximum disability benefits:

- Apply for Social Security Disability Insurance Benefits (SSDIB) by the end of your sixth month of disability, by contacting your local Social Security Administration Office;

- Sign the following forms (forms are available at your local Social Security Administration Office) and return them to the Company within 30 days of receipt:
 - SDIB Reimbursement Agreement Form indicating you agree to reimburse the Company for any overpayment of benefits due to a SSDIB award;
 - Authorization to Secure Award or Disallowance form, which authorizes the Social Security Administration to give the Company information related to your SSDIB claim;
- Notify the Company of all SSDIB determinations and provide a copy of the SSDIB Award or Disallowance within 30 days of receipt;
- As there are significant financial advantages, employees are encouraged to appeal (within Social Security guidelines) any unfavorable determination made by the Social Security Administration;
- Reimburse the Company for any overpayment of benefits within 90 days from the date you're notified of the overpayment.

If you fail to meet the SSDIB requirements, Short-Term Disability benefits will be reduced by 50%. STD benefits will be reinstated retroactively once you fulfill your SSDIB requirements.

If Your SSDIB Claim Is Denied

If your SSDIB claim is initially denied, the plan administrator may decide to assist your appeal through one of the following options:

- The plan administrator may contract and pay a vendor to provide appeal assistance for you; **OR**
- You may hire an attorney *and* register that attorney as your representative through Social Security. If you're successful in your appeal, the "fee allowance" withheld by Social Security will be credited in calculating your disability benefit overpayment. If you don't register your attorney through Social Security, no fee allowance will be credited toward your overpayment.

Returning to Work

One of the goals of our disability program is to ensure that you're able to get the care you need so that you can return to work as soon as you're able. To support your efforts to return to work, the Third Party Administrator will work with you, your provider and/or your department to obtain suitable restrictions or accommodations if you're unable to perform your current job duties. These accommodations may include Rehabilitation Benefits.

Return-to-Work Period

You'll be considered to have "returned to work" when you're working full-time or - if you're a flexible or part-time employee-when the hours you're working are the same as your regular pre-disability schedule.

Rehabilitation Benefits Don't Count Toward the Return-to-Work Period

If you're receiving Rehabilitation Benefits, you're still "on benefits," and your Return-to-Work Period won't begin until you're able to return to work at your pre-disability scheduled hours. Therefore, any day on which you work a portion of a day - and receive Rehabilitation Benefits for the other portion - won't count toward your Return-to-Work Period.

Your Return-to-Work Period will determine how benefits are paid if you're absent again due to a disability. The Return-to-Work Period is 13 weeks long and begins with the first full day you're back to work at your regular hours (actual hours worked). Only regular hours, scheduled days off* (such as Saturday and Sunday), and Company-designated holidays* count toward your Return-to-Work Period. You must satisfy your Return-to-Work Period in order to be eligible for a new 52-week period of benefits.

In some cases, days counted toward your Return-to-Work Period are counted in half-day increments. This can occur when you work only a portion of your regularly scheduled work day and have a portion of the day as vacation, personal time or other absence. The portion of the day you work is included in your Return-to-Work Period - the remaining portion is excluded as described in the next section.

*Scheduled days off and Company-scheduled holidays won't be counted if they're preceded by a day that's excluded from the Return-to-Work Period. Scheduled days off and Company-designated holidays will be counted in half-day increments if they're preceded by a day that's counted as a half day toward the Return-to-Work Period.

Return-to-Work Period Exclusions

The following is a list of examples of days (or partial days) that aren't counted toward the 13-week Return-to-Work Period. This list doesn't cover all exclusions, so if you have a question about whether a particular type of absence will count toward your Return-to-Work Period, contact the Third Party Administrator.

The following do not count toward your Return-to-Work Period:

- Vacation or personal days (or portion thereof).
- Scheduled days off or holidays that are preceded by any day or partial day that is excluded from the Return-to-Work Period.
- Absences for illness or injury (first seven calendar days).
- Excused time off (paid or unpaid).
- Unexcused time off (paid or unpaid).
- A relapse or unrelated benefit absence.
- Absences denied STD benefits.
- Any period you're not on the active payroll (such as a Leave of Absence).

Disability Absences and Your Return-to-Work Period

Your Return-to-Work Period will restart after each STD period. For example, if you had ten weeks credited toward your Return-to-Work Period, and then missed 12 days of work because of a disability, you would need to satisfy a new 13-week Return-to-Work Period before you would be eligible for a new 52-week period of benefits.

The following table shows some examples of how days are counted toward - or excluded from - the Return-to-Work Period:

If you're regularly scheduled to work 8 hours per day...

And you actually work...	If the hours excluded for one or more of the reasons listed above are...	The days counted toward your Return-to-Work Period are...
0 hours	8 hours	0 days
2 hours	6 hours	1/2 day
4 hours	4 hours	1/2 day
6 hours	2 hours	1 day

Successive Periods of Disability

If You Have a Relapse

A "relapse" is any period of disability during your 13-week Return-to-Work Period that is related to a previous disability. If you have a relapse during your 13-week Return-to-Work Period, the relapse would be considered to be a continuation of your original disability case. Your available benefits for the relapse would be the difference between the original 52 weeks for which you were eligible and the number of weeks already used.

For example, if you were eligible for four weeks of STD benefits at 100% of pay and 48 weeks at 60% of pay and you had received ten weeks of benefits before your relapse - you would have 42 weeks of benefits at 60% of pay still available for use for the relapse.

If You Have a New, Unrelated Disability

An "unrelated" absence or disability is one that occurs during your Return-to-Work Period and is of a different nature or cause than your previous disability. Upon receipt of your claim, the Third Party Administrator will determine whether the disability is related to a previous disability based on the documentation submitted.

Generally, an unrelated disability that extends beyond seven calendar days will be subject to a waiting period of seven days of disability and will be eligible for up to 52 weeks of STD. However, you can receive no more than 78 weeks of benefits in any 24-month period for two or more unrelated disabilities.

Employees won't be eligible for additional "unrelated disability" benefits unless they have returned to work on a normal basis and started their Return-to-Work Period. If an employee has *not* yet begun the Return-to-Work Period and has another illness or injury unrelated to the original disability, the entire absence is considered one disability case, regardless of whether or not the additional illness or injury extends the original disability period.

Payments for unrelated disabilities begin on the eighth calendar day of disability.

Once the Return-to-Work Period is Satisfied

Any disability that occurs after the end of the 13-week Return-to-Work Period is considered a new disability, if it's related to a previous disability case or not.

Relapse Benefits

Benefits for a relapse (an absence related to a previous disability within the 13-week Return-to-Work Period), will be paid as follows:

- When the disability occurs between one and 14 calendar days after the end of the preceding disability, benefits begin immediately (on the first day of the relapse).
- When the disability occurs after the 14th calendar day after the end of the preceding disability - and before the end of the 13-week Return-to-Work Period - benefits will begin again following another waiting period of seven calendar days.

When STD Benefits End

Your STD benefits end on the earliest of:

- You recover from your disability sufficiently to perform your job or modified job duties (with or without accommodations).
- You fail to meet the requirements listed in the section "Benefit Payment Requirements."
- Your maximum STD benefit period expires.
- Your employment with the Company ends.
- You die.
- You receive a lump-sum payment for your future plan benefits.

STD Benefits and the Family and Medical Leave Act of 1993

The Family and Medical Leave Act of 1993 (FMLA) guarantees that a position will be held in the Company for you during a qualifying absence of up to 12 weeks of unpaid leave in a 12-month period. An FMLA leave can be granted if you become seriously ill, if you need to care for a newborn, adopted or foster child, or if you need to care for a seriously ill child, spouse, or parent.

To be eligible for a FMLA leave, you must have at least 12 months of service and have worked a minimum of 1,250 hours in the 12 months preceding the first day of the leave. If you're eligible under FMLA, any time you're absent from work and receiving STD benefits will be applied toward the 12 weeks of FMLA leave. If you have a period of personal illness that's denied STD benefits, you may be eligible for FMLA or another type of Leave of Absence. Consult your Human Resources/Labor Relations department about other leaves of absence.

Special New York Provisions

The State of New York mandates employers to provide minimum disability benefits to certain classes of employees. In most situations, the general terms of the Plan meet and/or exceed these minimum limits. However, there are a small number of circumstances where the general terms of the Plan do not meet the required minimum benefits. In these situations, employees who are employed by Qwest in the State of New York will be covered by the required minimum benefits rules. These special rules are:

- (a) A New York employee must be employed for four consecutive weeks in order to become eligible for disability benefits rather than six months as required by the Plan;
- (b) A New York employee must file a claim within 30 days of becoming disabled rather than within 4 days as required by the Plan;
- (c) A New York employee must file a claim by using a Form DB-450, instead of by calling the third party administrator. The form should be mailed to the third party administrator at the address listed on page 2 of this SPD;
- (d) The third party administrator must provide a New York employee with an initial claim determination within 45 days of receiving the claim, rather than 90 days as required by the Plan;
- (e) A New York employee has the right to appeal an initial claim denial to the New York Workers' Compensation Board, rather than solely to the third party administrator as required by the Plan.

Other Important Information

This information may affect your benefits and the ways you use your benefits.

Cost of the Program and Funding

The entire cost of providing and administering STD benefits under the Qwest Disability Plan is paid for by the Company. A portion of the Company's contributions may be placed in a tax-exempt trust created by Qwest Communications International Inc., under Section 501(c) of the Internal Revenue Code. The trust funds would be used to pay benefits under the plan(s). The Company's contribution to the trust funds may be in the form of Qwest Communications International Inc. common stock, and up to 25% of the trust assets may be invested in Qwest Communications International Inc. stock.

Discretionary Authority

The plan administrators of the Qwest Disability Plan have the right and discretion to determine all matters of fact or interpretation relating to the administration of the plan-including questions of eligibility, interpretation of plan provisions, and any other matters.

This discretion is delegated to the Qwest Appellate Committee (and to such persons designated by the plan administrator to perform functions for the plan) with the responsibility to review appeals for purposes of making all disability determinations and determining all other claims and appeals under the plan. The decisions of the plan administrator and any other person or group to whom such discretion is delegated shall be conclusive and binding on all persons, subject only to the right to submit an appeal as described in this summary plan description.

Subrogation Rights

Subject to applicable law and collective bargaining agreements:

A third party, such as an insurance company, may be responsible for paying your STD benefits. For example, CNA may be responsible for paying STD benefits to certain participants who live in New York State. The Plan generally will not cover claims that can be paid by a third party.

However, collecting reimbursement for the STD benefits from the responsible third party or insurer may take a long time. In such cases or in other circumstances, the Company may pay a STD benefit to you. If the Plan pays benefits to you, the Plan has the right to seek repayment (called "subrogation") from the responsible party or insurer or from you, if you receive payments from the responsible third party or insurer. For example, as described above under "Benefits; Payments," the Company ordinarily pays benefits to residents of New York State and seeks reimbursement from the insurer, CNA.

You are obligated to cooperate with the Plan and the Third Party Administrator in order to protect the Plan's subrogation rights and do nothing to impair the Plan's rights. Such cooperation includes providing any relevant information, signing and delivering such documents as the Plan or the Third Party Administrator reasonably requests to secure the Plan's subrogation claim, and obtaining the Plan's consent before releasing any party from liability for any payments. Your refusal or failure to help with the subrogation process will not limit the Company's rights, but it can be grounds for denial of your claims. You must reimburse the Plan to the extent of payments made by the Plan, from the proceeds of any settlement, judgment or payments made by any individual, organization or other entity to you.

Any amounts that you recover in connection with an injury, disease, sickness or condition with respect to which the Plan makes payments shall be apportioned as follows:

1. The Plan shall receive the first dollars for any recovery to the extent of the Plan's payments.
2. The remaining balance of any recovery shall be apportioned to you and any other Plan or insurer providing benefits to you.

If you receive any monies as the result of injury, sickness, accident or condition, and the Plan is entitled to such monies and is not reimbursed the full amount it has paid for such injury, sickness, accident or condition, the Plan shall have the right to reduce future payments due to you by the amount of benefits paid by the Plan. This right of offset shall not, however, limit the rights of the Plan to recover such monies in any other manner. The Company's right to subrogation may be limited or prohibited by applicable law or collective bargaining agreements.

Plan Termination and Amendment

Although the Company intends to continue the Qwest Disability Plan, the Company reserves the right to terminate or amend the plans at any time, and each participating company reserves the right to terminate or amend its plan for its participants, subject to applicable limitations of law and any applicable collective bargaining agreement.

If the Disability Plan is terminated or changed, or if there is a transfer of plan assets and liabilities, or a plan split-up, you won't be vested in any plan benefits or have any other rights other than a right to benefit payments to which you have previously become eligible before such termination or change. If the Disability Plan terminates, any remaining assets of the respective plan will be used either to purchase or to provide disability or other permissible employee benefits as the Company shall determine in its discretion, subject to the terms of any applicable trusts.

Alienation

Except as specifically permitted by the plans (such as offsets), or as otherwise required by applicable law, disability benefits aren't subject to sale, assignment, anticipation, alienation, garnishment, levy, execution, or any other form of transfer.

Other Benefits That Relate to Disability

You have other benefits that may work together with your disability benefits. For more information, see your disability pension, health care and life insurance summary plan descriptions.

All disputes are resolved through the claim review procedure rather than through grievance procedures outlined in collective bargaining agreements.

Claims Procedure

Filing a Claim.

A claimant, who is a Plan Participant, or any person duly authorized by the claimant, may file a claim for benefits under the Plan or for review of any other appropriate matter related to the Plan by following the procedures outlined here. To file a claim please contact the Third Party Administrator, currently Sedgwick, by calling 1-866-UNI-call (864-2255). You must report your claim to the Third Party Administrator by the 4th calendar day of your absence. Failure to report your claim timely results in forfeiture of your benefits.

Upon reporting your claim, you will be assigned a case manager. Your case manager will attempt to work with your provider to obtain the necessary medical information to process your

claim. However, it is ultimately your responsibility to ensure that your treating physician provides your case manager with the information necessary to process your claim.

Your case manager will also work with you, your provider, and your supervisor to identify opportunities to return you back to work. If your case manager identifies a reasonable opportunity to return you to work, no further disability benefits will be paid to you. If you choose not to return to the workplace, you must obtain authorization for continued absence from your supervisor otherwise your absence will be considered unexcused.

Your case manager will also monitor your treatment plan to assure that it complies with normal medical protocols. Your case manager may recommend treatment for you. In order to continue receiving benefits under this Plan you must comply with your case manager's request.

It is your responsibility to assure that your claim is reported. Reporting a Disability claim to the Third Party Administrator does not relieve you of your responsibility to report your absence to your supervisor in accordance with company policy.

Initial Review of a Claim.

The Third Party Administrator shall review your claim for benefits under the Plan and respond within forty-five (45) days after receiving the claim. The Third Party Administrator may extend this initial period for responding to the claim by two additional thirty (30) day periods, provided that the Third Party Administrator notifies you in writing prior to the end of the initial forty-five (45) day period (or the first 30 day extension, if applicable) of the need for the extension and the date by which a determination will be made. If an extension is required, the notice shall explain the unresolved issues, the standard on which entitlement is based, and any additional information needed to resolve the matter; you will have at least 45 days to provide the specified information.

If your claim is denied, the Third Party Administrator shall provide you written notification setting forth:

- (1) the specific reason(s) for the adverse benefit determination;
- (2) specific reference(s) to pertinent Plan provisions on which the adverse benefit determination is based;
- (3) a description of any additional material or information necessary for you to perfect the claim;
- (4) if an internal rule, guideline, protocol or other similar criterion was relied upon, a statement that such rule etc. was relied upon and either a copy of such rule or a statement that such a rule was relied upon and a copy will be provided free of charge; and
- (5) an explanation of the procedure to appeal an adverse benefit determination, the time limits applicable to such procedure and your right, at no charge, to have reasonable access to and to obtain copies of all relevant documents upon request therefore, and a statement of your right to bring a civil action under Section 502(c) of ERISA following an adverse benefit determination.

The Third Party Administrator shall have full discretion to deny or grant any claim in whole or in part. If notice of a claim is not furnished, the claim will be deemed denied and you will be permitted to appeal the denial.

Request for Review of an Adverse Benefit Determination.

In the event of an adverse benefit determination, you may request a review by the Third Party Administrator. The Third Party Administrator is authorized to review such claim and to modify or affirm its initial determination, as appropriate.

Regardless of whether you request an informal review, you or your representative may request a full and fair review of the claim by the Third Party Administrator. You will have the right, at no charge, to have reasonable access to and to obtain copies of all relevant documents upon request therefore. You also have the right to submit in writing issues and comments, including, without limitation, appropriate evidence or testimony of an expert.

Your request for review by the Third Party Administrator must be submitted in writing to the Third Party Administrator within one hundred eighty (180) days of your receipt of a notice of an adverse benefit determination. The Third Party Administrator may grant you an extension of time by which you must file your request for review of the adverse benefit determination where the nature of the benefit involved or other attendant circumstances make such extension appropriate. Your request for review of the adverse benefit determination must be made in writing.

Decision on Review of An Adverse Benefit Determination.

(1) The Third Party Administrator shall make a decision within a reasonable period of time, but in no event later than forty-five (45) days after its receipt of your request for review. If, however, special circumstances require an extension of time for processing, the Third Party Administrator may extend the time in which it will review the Adverse Benefit Determination provided that any such extension shall not to exceed forty-five (45) days and further provided that you are notified in writing prior to the expiration of the initial forty-five (45) days of the special circumstances necessitating the extension(s) and of the date by which a determination is anticipated.

A decision shall be rendered within ninety (90) days after receipt of a your request for review. If notice of the decision on the review is not furnished in accordance with this subsection, the claim shall be deemed to have been denied and you shall be permitted to exercise your right to legal remedy.

(2) The Third Party Administrator shall perform a *de novo* review of the adverse benefit determination on review, taking into account all comments, documents, records and other information submitted by you relating to the claim regardless of whether the information was previously considered on initial review of the claim.

(3) You shall be notified in writing of the decision on review. In the event of an adverse benefit determination on review, the notice shall set forth:

- (A) the specific reason(s) for the adverse benefit determination;
- (B) the specific reference(s) to the pertinent Plan provisions on which the adverse benefit determination is based;
- (C) if an internal rule, guideline, protocol or other similar criterion was relied upon, a statement that such rule etc. was relied upon and either a copy of such rule or a statement that such a rule was relied upon and a copy will be provided free of charge; and
- (D) a statement of your right to bring a civil action under Section 502(c) of ERISA following an adverse benefit determination on review.

Legal Remedy.

After exhausting the claims procedure as provided under the Plan, nothing shall prevent you from pursuing any other legal remedy.

STATEMENT OF ERISA RIGHTS

As a Participant in the Qwest Disability Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of the Summary Annual Report.

Continue Group Health Plan Coverage

Continue health care coverage for yourself, Spouse or Dependents if there is a loss of coverage under the Plan as a result of a Qualifying Event. You or your Dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or

health insurance issuer when you lose coverage under the Plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, if applicable or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U. S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these cost and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U. S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U. S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and

responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

EXHIBIT E
DRAFT JOINT DEFENSE AGREEMENT TEMPLATE

Agreement #QW03-02390

Exhibit E

JOINT DEFENSE AGREEMENT

Administrator

[address]

PRIVILEGED & CONFIDENTIAL ATTORNEY/CLIENT COMMUNICATION

Re: _____ v Qwest Communications International, Inc., Qwest Disability Plan,
Administrator

Dear Administrator:

Administrator has been named individually as a defendant in the referenced lawsuit, which was filed by _____ (the "Lawsuit"). Baird Law Firm, LLC (the "Firm") represents Qwest Communications International, Inc. and the Qwest Disability Plan (collectively referred to as "Qwest") with respect to the Lawsuit. Based on the relationship between Qwest and Administrator and the nature of the Lawsuit, Qwest has authorized the Firm to represent jointly Administrator and Qwest in the Lawsuit. The purpose of this letter is to extend an offer of joint representation to Administrator, to provide advice concerning the risks and benefits of the Firm's joint representation of Qwest and Administrator, and, in the event Administrator wishes to pursue such an arrangement, to obtain its consent to that representation.

Based upon a preliminary review of the Complaint filed in the Lawsuit, the claims against both Qwest and Administrator appear unfounded. Accordingly, Qwest presently believes that having a single attorney represent both defendants would be the most advantageous litigation strategy. In short, a unified joint defense will maximize efficiencies and demonstrate the defendants' shared conviction that they should prevail in the Lawsuit. Qwest is therefore offering Administrator the opportunity to be represented in the Lawsuit jointly with Qwest in the Lawsuit.

The Firm asks that you consider this offer in light of both the benefits and risks typically associated with joint representation. The benefits, identified above, may be significant. That said, the following most common risks also must be analyzed.

The first such risk concerns the nature of attorney-client privilege within the context of joint representation. Generally, communications regarding litigation made between an attorney and his or her client are strictly confidential, protected under the attorney-client privilege, and may not be disclosed to any third party without the client's consent. This rule is altered in a joint representation situation. If the Firm is engaged to jointly defend Administrator and Qwest, no confidentiality would exist between Administrator and Qwest. Therefore, any communication by Administrator or Qwest to counsel would be deemed received by and could be expressly shared by the Firm with the other party. Although this does not mean that the Firm would necessarily repeat to Qwest everything which Administrator confided in the Firm, it does mean that Qwest would generally have the right to learn of the content of

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Disclose and distribute only to those with a need to know

Agreement #QW03-02390

the Firm's discussions with **Administrator**. Similarly, **Administrator** would have a reciprocal right regarding communications between the Firm and Qwest relating to the Lawsuit. That said, the privilege protecting the confidentiality of such communications would remain fully intact vis-a-vis third parties. Additionally, neither **Administrator** nor Qwest could waive the privilege (and disclose litigation information about the other to a third party) without the consent of the other.

The second risk that necessarily arises out of any joint representation is the potential that a conflict of interest would surface whereby counsel would be ethically obligated to alter its representation of either or both jointly represented clients. We are presently unaware of any facts that might give rise to such a conflict in this case. Theoretically, however, such a conflict could occur. Two possible consequences could result if such a conflict should arise. First, the Firm would likely be precluded from continuing its representation of **Administrator** in this matter. Therefore, **Administrator** would probably be required to engage separate counsel. Second, **Administrator** or Qwest could thereafter prevent the other from discovering or disclosing confidential attorney-client information and communications during the period of joint representation (insofar as such communications are sought to be used in connection with the newly-discovered dispute).

Please understand that none of the foregoing is said for the purpose of causing you unnecessary apprehension about being represented by the Firm. This Firm simply has a duty to disclose potential risks to **Administrator** so that it can make an informed decision concerning representation. As stated before, the risks outlined above are inherent when any attorney undertakes joint representation of more than one client in the same dispute, and we are presently unaware of any unusual or extraordinary risks that might exist in the present litigation. Moreover, Qwest faces the same risks as **Administrator** and even so has consented to joint representation in this matter. If, after reviewing this letter, **Administrator** wishes to accept Qwest's offer of joint representation by the Firm in this Lawsuit, please so indicate by executing this letter and returning it to the Firm.

We look forward to the prospect of serving **Administrator** as a client of the Firm. If you or one of your colleagues has any questions at all regarding this matter, please do not hesitate to call me directly at _____. **Administrator** may also wish to consult its own independent counsel to assist in reviewing this letter. Kindly respond to this letter no later than _____, 20__ to ensure that neither party's defense is compromised.

Very truly yours,

Law Firm, LLC.

Administrator consents and agrees to joint representation with Qwest on the terms set forth above:

Date

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